

Wednesday, December 20, 2006

RONI LYNN DEUTCH AGREES TO PAY \$300,000 TO SETTLE NEW YORK CITY'S LAWSUIT FOR DECEPTIVELY ADVERTISING TAX SERVICES

DCA Action Secures \$200,000 for Consumers, \$100,000 in Fines, and Full Compliance

New York City Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz today announced an agreement to settle the City's lawsuit against Roni Lynn Deutch (d/b/a The Law Offices of Roni Lynn Deutch) for deceptively advertising tax services. Roni Lynn Deutch has agreed to pay a total of \$300,000, which includes \$200,000 in restitution to consumers and \$100,000 in fines to the City of New York. Also, as part of the agreement, Roni Lynn Deutch has committed to full compliance with the City's Consumer Protection Law when advertising tax services. The agreement was submitted to the New York Supreme Court on December 19 for approval.

"It's illegal and unconscionable to prey upon people struggling with debt by making false promises," said Commissioner Mintz. "Particularly with tax season just around the corner, we hope this agreement sends a clear message that advertising claims must be truthful. We're also very pleased to be able to get money back for so many consumers."

The Department of Consumer Affairs filed suit against Roni Lynn Deutch in September 2005 in New York State Supreme Court. The DCA charged violations of the New York City Consumer Protection Law based on statements made in Roni Lynn Deutch's television commercials, which aired on stations throughout the five boroughs of New York City. The three television commercials stated that viewers would be able to:

"...Settle your back tax problem for only \$20."

"...Resolve your back taxes without paying anything to the IRS."

"...Learn if you can pay nothing to the IRS."

In its lawsuit, the DCA charged the advertisements misled consumers by failing to include key eligibility requirements in order to resolve back taxes with the Internal Revenue Service (IRS) under its Offer in Compromise program. The Offer in Compromise program enables taxpayers to resolve debts by entering into an agreement with the IRS for reduced payments, in which a majority of people do not qualify – a fact not evident in Deutch's ads. The DCA is also pursuing a lawsuit against American Tax Relief LLC for similar violations.

As part of the lawsuit, 273 New York City clients were identified as using Ms. Deutch's tax services between January 1, 2003 and September 30, 2005. The DCA will be evaluating eligibility and administering restitution to qualifying consumers.

The DCA ensures that consumers and businesses benefit from a fair and vibrant marketplace. The agency's comprehensive work in enforcing the city's Consumer Protection Law includes settlements with major wireless companies, tax preparation firms, auto dealers, and more. For free copies of the DCA's *False Advertising Guide*,

Taxpayer's Bill of Rights, or to file a complaint, call 311 (or 212-NEW-YORK outside of New York City) or go online to www.nyc.gov/consumers.